

Message Text

UNCLASSIFIED

PAGE 01 TEL AV 03894 020945Z
ACTION XMB-04

INFO OCT-01 NEA-10 ISO-00 EB-07 COME-00 AID-05 TRSE-00
/027 W

-----020952Z 033915 /13

R 020855Z JUN 77
FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC 6446

UNCLAS TEL AVIV 3894

E.O. 11652: N/A
TAGS: BPRO, IS
SUBJECT: BANK LEUMI LE-ISRAEL B.M.

REF: A) STATE 121522 B) TEL AVIV 4575

1. SUBJECT'S EXPOSURE WITH MARITIME FRUIT CARRIER CO. HAS BEEN SLIGHTLY REDUCED FROM THAT REPORTED IN REFTEL (B). TOTAL OUTSTANDING DEBT BOTH DIRECT AND INDIRECT BY MFC STILL AMOUNTS TO \$2.7 MILLION. BANK HAS FIRST MORTGAGE ON MFC'S VESSEL YANI WHICH PRESENTLY INOPERATIVE DUE TO LACK OF FAVORABLE CHARTER. NO CURRENT EVALUATION OF SHIP AVAILABLE. BANK IS HOLDING ON TO SHIP UNTIL REVIVAL OF INTERNATIONAL SHIPPING MARKET AT WHICH TIME IT WILL DECIDE TO EITHER CHARTER IT OR SELL IT TO HIGHEST BIDDER. BANK NOT HAPPY WITH PRESENT SITUATION AND PRESENTLY NEGOTIATING WITH MFC FOR ADDITIONAL COLLATERAL. WHEN SHIP WAS UNDER CHARTER BANK HAD CLAIMS ON THE CHARTER COMPANY (TRANS ASIATIC, GOI-OWNED COMPANY) EXCEEDING \$1 MILLION WHICH ARE IN PROCESS OF ARBITRATION. BANK BELIEVES THERE ARE GOOD PROSPECTS FOR RECEIVING SUBSTANTIAL PORTION OF THIS SUM. BANK ASSUMES THAT COLLATERAL-WISE IT WILL BE SUFFICIENTLY COVERED EITHER FROM THE SALE OF VESSEL, OR THE OUTCOME OF ARBITRATION MENTIONED PREVIOUSLY OR FROM THE ADDITIONAL COLLATERAL NOW UNDER NEGOTIATION.

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2. IT SHOULD BE NOTED THAT SUBJECT BANK IS LARGEST COMMERCIAL BANK IN ISRAEL WITH 1976 ASSETS TOTALING IL81.7 BILLION AND 1976 NET PROFIT IL226.5 MILLION. CAPITAL RESERVES AND SURPLUS TOATLED IL1.3 BILLION AT END 1976. BANK BELIEVES THAT IN EVENT MFC DEFAULTS THE FINANCIAL IMPACT ON ITS OPERATIONS WOULD BE NEGLIGIBLE.

3. EMBASSY PERCEIVES NO OBJECTION TO EXIMBANK CONSIDERATION OF
ON YEAR EXTENSION OF A DOLS. 10 MILLION CFF FOR SUBJECT BANK.
LEWIS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TELAV03894
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770196-0596
Format: TEL
From: TEL AVIV
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770696/aaaadges.tel
Line Count: 65
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Review Release Date: n/a
Review Release Event: n/a
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SAS ID: 2298340
Secure: OPEN
Status: NATIVE
Subject: BANK LEUMI LE-ISRAEL B.M.
TAGS: BPRO, IS
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/f5f04086-c288-dd11-92da-001cc4696bcc
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